

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7014

BILL NUMBER: HB 1342

NOTE PREPARED: Jan 14, 2004

BILL AMENDED:

SUBJECT: Gasoline tax.

FIRST AUTHOR: Rep. Liggett

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: _____**GENERAL**
DEDICATED
FEDERAL

IMPACT: Pending

Summary of Legislation: Replaces the per gallon tax on the use of gasoline with a \$0.0129 cent per mile tax for 2005 and a \$0.0147 cent per mile tax for 2006. Provides for the annual conversion of the per mile rate to a per gallon rate based on the annual motor vehicle miles of travel for Indiana and the annual total certified taxable gallons of motor fuel. Provides for an annual adjustment to the per gallon conversion rate for inflation. Provides that the per gallon conversion rate may not exceed \$0.22 in 2005 and \$0.25 in 2006. Provides that the per gallon conversion rate may not be reduced below the conversion rate of the previous year. Provides for distributions to match: (1) 2004 distributions from the motor vehicle highway account (MVHA) and the local road and street account; and (2) county wheel tax and county motor vehicle excise surtax collections. Eliminates the local road and street account. Requires at least 25% of the distributions from the MVHA to be used for purposes of the local road and street account. Imposes a supplemental gasoline tax if the federal gasoline tax is reduced below the per gallon rate imposed on January 1, 2004. Requires the bureau of motor vehicles (BMV) to increase certain fees by \$10. Requires that half of the state police appropriations currently paid from the MVHA must be paid from the BMV fee increases. Requires BMV personal services and other operating expenses to be paid from the fee increases rather than from the MVHA. Establishes the state police and bureau of motor vehicles operating fund. Repeals the laws governing the local road and street account.

Effective Date: July 1, 2004; January 1, 2005.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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